

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8-66980

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1/1/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Quoin Capital, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1515 Market Street, Suite 1808

(No. and Street)

Philadelphia

PA

19102

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

André W. Guthman, CPA

(Name - if individual, state last, first, middle name)

1111A Route 9

Garrison

NY

10524

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

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Section

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Washington, DC

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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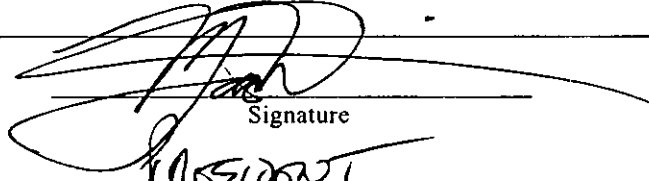
## OATH OR AFFIRMATION

I, Maceo N. Davis, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Quoin Capital, LLC, as of December 31, 2007, 20\_\_\_\_, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

  
Signature  
President  
Title

  
Notary Public

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL

DAVID M. LOCKWOOD, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires October 29, 2009

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

QUOIN CAPITAL, LLC  
Financial Statements  
and  
Accountant's Report  
For the Year Ended December 31, 2007 and 2006

QUOIN CAPITAL, LLC  
Audited Financial Statements  
December 31, 2007

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# A. W. GUTHMAN & COMPANY

*Certified Public Accountants*

The Board of Directors  
Quoin Capital, LLC  
Philadelphia, PA

1111A Route 9  
Garrison, New York 10524-3203  
Tel 845-737-1994  
Fax 845-737-0516  
aguthman@bestweb.net

## Independent Accountant's Report

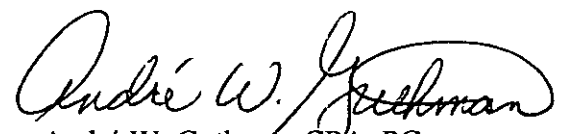
I have audited the accompanying balance sheets of Quoin Capital, LLC as of December 31, 2007 and 2006 and the related statements of income and changes in members equity and cash flows for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by management, as well as an evaluation of the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Quoin Capital, LLC as of December 31, 2007 and 2006, the results of its operations, changes in members equity, and cash flows for the years ended December 31, 2007 and 2006 in conformity with accounting principles generally accepted in the United States of America.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplementary schedules on pages 8 through 11 inclusive, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole, and in conformity with the rules of the Securities and Exchange Commission.

March 24, 2008

  
André W. Guthman CPA, PC

QUOIN CAPITAL, LLC  
Balance Sheets  
As of December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash	\$ 113,122	\$ 37,950
Accounts Receivable	471	-
Furniture & Office Equipment, less Accumulated Depreciation (Note 2)	5,919	8,200
Other Assets	<u>466</u>	<u>316</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 119,978</u></u>	<u><u>\$ 46,466</u></u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 8,708	\$ 3,712
Equipment Lease Payable (Note 2)	1,835	5,599
Bank Credit Line Payable (Note 3)	<u>32,291</u>	<u>22,258</u>
<b>TOTAL LIABILITIES</b>	42,834	31,569
<b>MEMBERS EQUITY</b>	<u>77,144</u>	<u>14,897</u>
<b>TOTAL LIABILITIES AND MEMBERS EQUITY</b>	<u><u>\$ 119,978</u></u>	<u><u>\$ 46,466</u></u>

See accompanying notes and accountant's report.

QUOIN CAPITAL, LLC  
 Statements of Income and Changes in Members Equity  
 For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
INCOME		
Commissions	\$ 70,334	\$ 7,390
Interest Income	3,633	1,190
Other Income	<u>34,982</u>	<u>-</u>
TOTAL INCOME	108,949	8,580
EXPENSES		
Trading Execution Services	25,511	3,400
Clearing Charges	44,490	8,907
Officer Compensation	26,800	22,000
Regulatory & Licensing	2,446	6,535
Membership Dues & Subscriptions	9,827	5,908
Professional Fees	11,662	11,079
Rent	12,252	11,864
Telephone & Communications	6,263	4,963
Equipment Rental (Note 2)	-	300
Other Office Support	8,892	15,217
Marketing	2,189	5,370
Interest Expense	1,633	917
Travel & Entertainment	11,693	11,861
Depreciation	2,281	2,281
Other	<u>3,854</u>	<u>6,327</u>
TOTAL EXPENSES	<u>169,793</u>	<u>116,929</u>
NET LOSS	(60,844)	(108,349)
MEMBERS EQUITY - Beginning of Year	14,897	74,151
Member Capital Contributed	<u>123,091</u>	<u>49,095</u>
MEMBERS EQUITY - End of Year	<u>\$ 77,144</u>	<u>\$ 14,897</u>

See accompanying notes and accountant's report.

QUOIN CAPITAL, LLC  
Statements of Cash Flows  
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
OPERATING ACTIVITIES		
Net Loss	\$ (60,844)	\$(108,349)
Adjustments to reconcile Net Loss to Net		
Cash Used in Operating Activities:		
Depreciation	2,281	2,281
Changes in Operating Assets increase (decrease)		
Accounts Receivable	(471)	-
Due from Members	-	(791)
Other Assets	(150)	(155)
Accounts Payable	<u>4,996</u>	<u>2,262</u>
NET CASH USED IN OPERATING ACTIVITIES	(54,188)	(104,752)
FINANCING ACTIVITIES		
Member Capital Contributions	123,091	49,886
Net Borrowings from Line of Credit	10,033	22,258
Reduction to Equipment Lease Debt	<u>(3,764)</u>	<u>(3,764)</u>
	129,360	68,380
NET CHANGE IN CASH	75,172	(36,372)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>37,950</u>	<u>74,322</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 113,122</u>	<u>\$ 37,950</u>

See accompanying notes and accountant's report.



QUOIN CAPITAL, LLC  
Notes to Financial Statements  
December 31, 2007

NOTE 1 - ORGANIZATION

Quoin Capital, LLC, a Delaware limited liability company, effective March 1, 2005, is a registered broker-dealer subject to the regulations of the Securities and Exchange Commission and the National Association of Securities Dealers, Inc. Pursuant to its NASD membership agreement, which became effective November 17, 2005, the Company does not hold customer funds or securities and clears all securities transactions on a fully disclosed basis through its clearing agent.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Assets, liabilities, income, and expenses are recorded on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Cash Equivalents

Cash equivalents consist of money market funds.

Capitalized Leases

The Company's furniture, telephones, copier and certain computer equipment were acquired and capitalized in September 2005 through a lease arrangement requiring the Company to pay \$314 for thirty-six months. The lease term, which expires in September 2008, permits the Company to assume title to the assets for an additional cost of \$890.

Depreciation

Property and equipment are recorded at cost. Depreciation is generally computed using the straight line method over the estimated useful lives of the assets.

QUOIN CAPITAL, LLC  
Notes to Financial Statements  
December 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Company files partnership returns and income reported on such returns is taxed at the member level. Therefore, no provisions have been made for federal and state income taxes.

NOTE 3 - LINE OF CREDIT

The Company maintains a business line of credit with Wachovia Bank NA which permits the Company to borrow up to \$50,000 at an interest rate of 8.25%. The line of credit is personally guaranteed by one of the Company's members.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Office Space

The Company's minimum lease commitment, which expires May 31, 2008, for rental of its Philadelphia office space is as follows:

<u>Year</u>		<u>Amount</u>
2008	-	6,583

NOTE 5 - NET CAPITAL/RESERVE REQUIREMENTS

The Company is subject to the net capital rule adopted by the Securities and Exchange Commission, Rule 15c3-1, which requires that a registered broker-dealer's net capital, as defined, shall not fall below \$5,000 or 6 <sup>2</sup>/<sub>3</sub>% of the total aggregate indebtedness, whichever is greater.

As of December 31, 2007, the Company had excess net capital of \$63,672 and the ratio of indebtedness to net capital was .62.

The Company is exempt from the reserve requirements outlined in Securities and Exchange Commission, Rule 15c3-3, as all customer transactions are cleared through its clearing agent on a fully disclosed basis (paragraph (k) (2) (ii) ).

A. W. GUTHMAN & COMPANY

*Certified Public Accountants*

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aguthman@bestweb.net*

The Board of Directors  
Quoin Capital, LLC  
Philadelphia, PA


I have made a study and evaluation of the system of internal accounting control of Quoin Capital, LLC in effect at December 31, 2007. My study and evaluation was conducted in accordance with standards established by the American Institute of Certified Public Accountants.

The management of Quoin Capital, LLC is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and may not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

In my opinion, the system of internal accounting control of Quoin Capital, LLC in effect at December 31, 2007, was sufficient to meet the objectives stated above insofar as those objectives pertain to the prevention or detection of errors or irregularities in amounts that would be material with respect to the financial statements.

March 24, 2008

  
André W. Guthman CPA, PC

QUOIN CAPITAL, LLC  
 Computation of Net Capital Under Rule 15c3-1 of  
 The Securities and Exchange Commission  
 As of December 31, 2007

1)	Total Ownership Equity	\$	77,144
2)	Deduct Ownership Equity not Allowable for Net Capital		-
3)	Total Ownership Equity qualified for Net Capital		77,144
4)	Add:		
	Liabilities Subordinated to Claims of General Creditors Allowable in Computation of Net Capital		-
5)	Total Capital and Allowable Subordinated Liabilities		-
6)	Deductions and/or Charges:		
a)	Total Non-Allowable Assets included in Balance Sheet		6,385
b)	Secured Demand Note Deficiency		-
c)	Commodity Futures Contracts and Spot Commodities - Proprietary Capital Charges		-
d)	Other Deductions and/or Charges		-
e)	Haircuts		<u>2,087</u>
	Total Deductions and /or Charges		<u>8,472</u>
7)	Net Capital	\$	<u><u>68,672</u></u>

QUOIN CAPITAL, LLC  
 Computation of Net Capital Under Rule 15c3-1 of  
 The Securities and Exchange Commission (Cont'd)  
 As of December 31, 2007

Computation of Basic Net Capital Requirement:

8)	Minimum Net Capital Required (6 2/3% of Line 14)	\$ 2,855
9)	Minimum Dollar Net Capital Requirement of Reporting Broker or Dealer	5,000
10)	Net Capital Requirement (Greater of Line 8 or 9)	5,000
11)	Excess Net Capital (Line 7, Less Line 10)	63,672
12)	Excess Net Capital at 1000% (Line 7, Less 10% of Line 14)	64,389
13)	Total A.I. Liabilities from Balance Sheet	42,834
14)	Total Aggregate Indebtedness	42,834
15)	Ratio of Aggregate Indebtedness to Net Capital (Line 14 divided by Line 7)	0.62

QUOIN CAPITAL, LLC  
Statement of Changes in Members Equity  
For the Years Ended December 31, 2007 and 2006

	<u>Member Capital</u>
Balance at January 1, 2006	\$ 74,151
Member Capital Contributed	49,095
2006 Net Loss	<u>(108,349)</u>
Balance at December 31, 2006	14,897
Member Capital Contributed	123,091
2007 Net Loss	<u>(60,844)</u>
Balance at December 31, 2007	<u><u>\$ 77,144</u></u>

QUOIN CAPITAL, LLC  
Reconciliation of Net Capital Per Focus 11A  
to Net Capital Per Audited Financial Statements  
For the Year Ended December 31, 2007

Net Capital per Focus 11A	\$ 74,458
Income and Expense Adjustments:	
To record additional expense accruals	(5,786)
	<hr/>
Net Capital per Audited Financial Statements	<u><u>\$ 68,672</u></u>

**END**